

## **H.R. 624: Promoting Transparent Standards for Corporate Insiders Act**

I rise in support of H.R. 624, the Promoting Transparent Standards for Corporate Insiders Act. This bipartisan legislation is critical for protecting Mom and Pop investors from the effects of insider trading while ensuring that the rules are clear, fair, and not unduly burdensome.

I want to first thank Chairwoman Waters for her sponsorship of this bill. I am glad to join her in this meaningful effort to help the SEC better understand illicit trading, and look forward to working with her on many more bipartisan efforts in the Financial Services Committee.

Preventing and cracking down on fraud and abuse within our financial system, such as illegal insider trading, is apolitical.

When a corporate insider breaks the rules on trading and profits from trading on insider information, that illegal activity hurts the everyday investor who diligently puts their hard-earned money away for retirement.

To be clear, most corporate insiders faithfully follow the insider trading guidelines under Rule 10b5-1 that allow for them to purchase and sell securities without concern for insider trading liability.

These law-abiding corporate insiders should not be punished or barred from trading just because of the bad actors who succumbed to greed and chose to illegally trade on insider information. When properly adhered to, the Rule 10b5-1 insider trading rules are fair tools for allowing folks to help pay for a down payment on a home, or helping pay for their kid's college education.

Moreover, allowing folks to purchase and sell securities at a predetermined time on a scheduled basis under Rule 10b5-1 ensures

market stability and decreases the risk of volatility by preventing fraudulent behavior, such as pump-and-dump schemes.

By directing the SEC to study whether Rule 10b5-1 should be amended and to consider how any amendments to the rule would clarify and enhance existing prohibitions against insider trading, this legislation achieves the bipartisan goal of protecting Mom and Pop investors while encouraging economic growth.

Again, I thank Chairwoman Waters and applaud her willingness to work in a bipartisan manner to improve federal government oversight and protect American investors.

I urge my colleagues to support H.R. 624, and I reserve the balance of my time.